

CALENDAR ITEM

C39

A 2

06/29/15

PRC 8472.1

S 2

B. Terry

REVISION OF RENT

LESSEE:

Innex California, Inc., a Texas Corporation
5240 Tennyson Parkway, Suite #224
Plano, TX 75024

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Eel River, near Alton, Humboldt County.

AUTHORIZED USE:

Continued use, operation, and maintenance of a 6.625-inch-diameter, horizontal directionally drilled, high pressure natural gas steel pipeline, with an approximate length of 1,750 feet, at a minimum depth of 80 feet below the bottom of the Eel River.

LEASE TERM:

20 years, beginning August 19, 2003.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease and recommends that rent be revised from \$232 per year to \$580 per year, effective August 19, 2015.

OTHER PERTINENT INFORMATION:

1. On August 19, 2003, the Commission authorized a General Lease – Right-of-Way Use to FOREXCO, Inc., for a term of 20 years. On April 26, 2013, the Commission authorized an Assignment of Lease to Innex California, Inc., a Texas Corporation. That lease will expire on August 18, 2023.
2. Staff has conducted the rent review called for in the lease and recommends the rent be increased to \$580 per year, effective August 19, 2015.

CALENDAR ITEM NO. **C39** (CONT'D)

3. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8472.1 from \$232 per year to \$580 per year, effective August 19, 2015.

EXHIBIT A

PRC 8472.1

LAND DESCRIPTION

A 50 foot wide strip of State owned submerged land lying in the bed of the Eel River, adjacent to Lot 5 of fractional Section 15, and Lot 4 of fractional Section 14, Township 2 North, Range 1 West, HBM, as shown on official government township plat approved January 17, 1876, County of Humboldt, State of California, the centerline of which is described as follows:

BEGINNING at a point lying distant N 86°40'14" W 3143.69 feet from the southeast corner of said Section 14; thence N 85°38'49" W 3087.78 feet to the terminus of said strip.

EXCEPTING THEREFROM any portion lying landward of the Low Water Mark of the left and right banks of the Eel River.

The Basis of Bearings for this description is the California Coordinate System of 1983, Zone 1. All distances are grid distances.

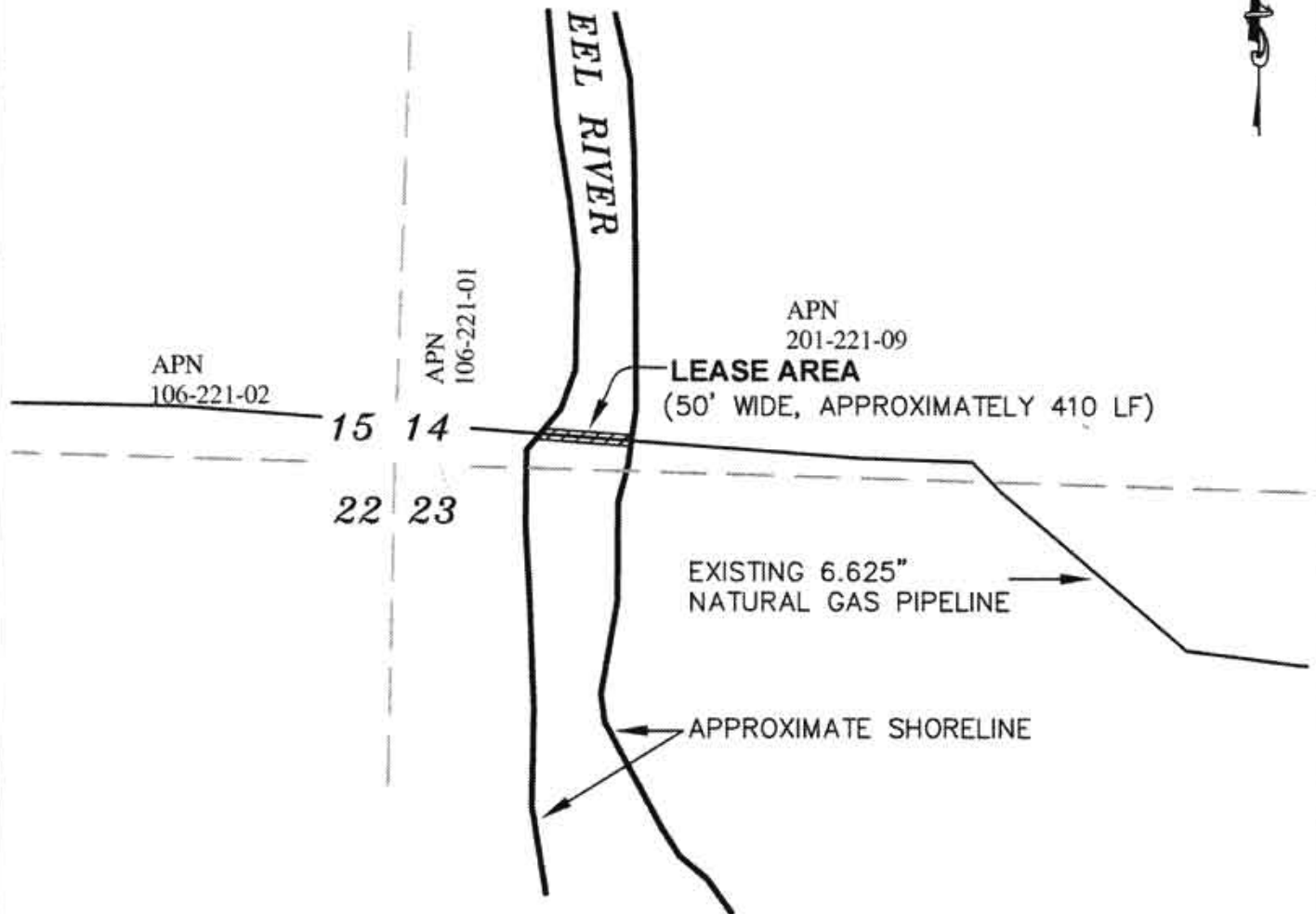
END OF DESCRIPTION

Prepared 2/13/2013 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE



EEL RIVER, NEAR ALTON

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit B

PRC 8472.1
INNEX CALIFORNIA INC.
APN 201-221-09,
106-221-01 & 02
GENERAL LEASE -
RIGHT - OF - WAY
HUMBOLDT COUNTY



DJF 02/13/13